



**UNITED STATES HOUSE OF REPRESENTATIVES
OFFICE OF THE MAJORITY WHIP
THE HONORABLE JAMES E. CLYBURN (SC-06)**

THE WHIP PACK

WEEK OF OCTOBER 29, 2007

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Bill Text and Background for the Week of October 29, 2007

- H.R. 3867 — Small Business Contracting Program Improvements Act
- H.R. 2262 — Hardrock Mining and Reclamation Act of 2007
- H.R. 3920 — Trade and Globalization Assistance Act of 2007

H.R. 3867 – SMALL BUSINESS CONTRACTING PROGRAM IMPROVEMENTS ACT (Rep. Velazquez – Small Business) (Subject to a Rule)

Bill Text: [HTML Version](#), [PDF Version](#)
[Bill Summary and Status](#)

Rules Committee: [H.RES.773](#), [Rule](#), [Committee Report](#), and [roll call votes](#), [Amendment Process Announcement](#), [Summary and Text of Amendments Submitted](#)

Committee: [Committee on Small Business](#)

Committee Staff Contact: 5-4038

LEGISLATION AT A GLANCE:

H.R. 3867, the Small Business Contracting Program Improvements Act encourages participation by qualified small businesses, particularly veteran owned businesses, in the appropriate contracting programs offered under the supervision of the Small Business Administration. The Act amends key sections of the Small Business Act to assist small business participation, prevent fraud and bring consistency to the operation of the main contract assistance programs.

Ensuring Government Contract Opportunities for Small Businesses Owned and Controlled by Service-Disabled Veterans. Title I expands procurement opportunities for service-disabled veteran-owned businesses; a group that currently receives only a small fraction of their contracting goal. Further, it creates penalties for misrepresentation of a service-disabled veteran owned business classification and adopts a roadmap for providing information, advice and training to service-disabled veterans as prescribed by President. Finally, it provides discretion to contracting officers in cases that must now be set aside for HUBZones but that could, with these amendments be used for service-disabled veteran-owned businesses.

Protecting Taxpayers and Ensuring Program Consistency. Title II provides that the Administrator perform the necessary checks on applicants for participation in the in the various contracting assistance programs to ensure their business integrity and qualifications. Most programs already require this but this makes it uniform.

Expanding Opportunities for Women Entrepreneurs. Title III sets out requirements for the SBA to implement the Women's Procurement Program immediately. The SBA has taken too much time to implement the Women's Procurement Program. This bill will provide agencies will sufficient information to immediately begin competing contracts among women business owners. Women have been waiting nearly seven years for this – they have lost tens of billions of dollars in contracting opportunities – and they will not have to wait any longer.

Strengthening Community Development. Title IV strengthens the HUBZone program by verifying that small businesses receiving contracts under its authority are qualified. It further requires construction contracts to be performed within a reasonable distance of the particular HUBZone the contractor is to benefit.

Modernizing the 8(a) Program. Title V modernizes the 8(a) program to update and revise the qualification requirements, extend and realign the program term for participation and ensure that contracts issued under the authority of 8(a) go only to 8(a) qualified companies.

Bipartisan Bill with Broad Support. This legislation has bipartisan support within this committee and includes the input from a number of Members. There is remarkably broad support on this legislation, ranging from the National Black Chamber of Commerce to the National Federation of Independent Business and the Associated General Contractors of America. Also supporting the legislation are the American Legion, the Veterans of Foreign Wars, and AMVETS. The United States Hispanic Chamber of Commerce, the U.S. Women's Chamber of Commerce, and the National Defense Industrial Association also support this bill.

SUMMARY OF AMENDMENTS MADE IN ORDER:

1. [Velázquez \(NY\)](#): This amendment would establish that those veterans who are severely disabled shall be given special consideration as agencies implement contracting regulations. It would also set forth certain standards for business integrity that are required for participation in federal contracting programs. Additionally, the amendment would clarify the implementation of the women's procurement program. (10 minutes)
2. [Akin \(MO\)](#): The amendment would require that the Administrator of the Small Business Administration (SBA) conduct a study to determine what changes would be required to provide greater Federal contracting assistance to participants in the program created by section 8(a) of the Small Business Act that have less equity in their business concerns than other participants in the program. The study would be reported no later than six months after the date of enactment of this Act and the Administrator would report the details of the study to the Senate Small Business Committee and the House Small Business Committee. (10 minutes)
3. [Welch \(VT\)/Braley \(IA\)](#): The amendment would require the Administrator of the Small Business Administration to carry out a study on the effectiveness of the HUBZone program in reaching rural areas. (10 minutes)
4. [Mica \(FL\)](#): This amendment would clarify that the small business set-aside provisions of the Small Business Act (15 U.S.C. 644) should apply to federal contracts not excluding Federal Supply Schedule and Multiple Award Schedule holders. (10 minutes)
5. [Mica \(FL\)](#): The amendment would state that it is the sense of the House that small business set-asides should not be excluded from any acquisitions under the GSA's Federal Supply Schedule. (10 minutes)
6. [Moran, James \(VA\)](#): The amendment would require that the Administrator of the Small Business Administration conduct a study to determine, with respect to small business contracts, whether incumbent Federal contractors are submitting frivolous protests to extend the length of current contracts before protest decisions are resolved. The Administrator also would develop recommendations to discourage frivolous protests. (10 minutes)
7. [Baird \(WA\)](#): This amendment would direct the Administrator of the Small Business Administration to examine the lists of groups the members of which are presumed to be socially disadvantaged under the Small Disadvantaged Business program under section 8(a) of the Small Business Act and to consider whether the list should be updated to include additional groups. (10 minutes)

8. [Brown-Waite \(FL\)](#): The amendment would create a liaison within the Small Business Administration whose duty, in consultation with the Assistant Secretary of the Department of Homeland Security for US Immigration and Customs Enforcement, is to ensure that section 2(i) of the Small Business Act, regarding assistance to individuals not lawfully within the , is carried out. (10 minutes)
9. [Gillibrand \(NY\)](#): The amendment provides that any employer found, based on a determination by the Department of Homeland Security or the Attorney General to have engaged in a pattern or practice of hiring, recruiting or referring for a fee, for employment in the United States an alien knowing the person is an unauthorized alien shall be subject to debarment from the receipt of future Federal contracts. (10 minutes)
10. [Lampson \(TX\)](#): The amendment would prohibit the use of any funds for first-class or business-class airline travel by agency employees when carrying out the provisions of HR 3867. The amendment includes exceptions provided by the Code of Federal Regulations 301-10.122 to 10.124, as applicable to federal agency employees. (10 minutes)

House Report 110-400:

[HTML Version](#), [PDF Version](#)

Full Committee Mark-up:

[Committee Markup](#), October 18, 2007

[National Journal Report](#)

Summary of Committee Votes:

- [Rep. Akin, R-Mo. Strike 8\(a\) Participant Net Worth Increase Amendment](#) — Would have struck a provision in the bill that would provide for an inflationary increase in the net worth of 8(a) program recipients to \$550,000 prior to program entry. The 8(a) program uses the procurement process to help minority-owned small businesses. **Withdrawn.**
- [Rep. Akin, R-Mo. Strike HUBZone Construction Contract Geographic Limitation Amendment](#) — Would have struck a provision in the bill that would limit the awarding of construction contracts with the HUBZone preference if the work would be performed in excess of 150 miles of the primary office location of the HUBZone-approved company. "HUBZones" are historically underutilized business zones in urban and rural areas with lower-than-average incomes. **Withdrawn.**
- [Rep. R. Bartlett, R-Md. Strike Program Recipient Integrity Assessment Amendment](#) — Would have struck a provision that would prevent a company from receiving benefits provided by the 8(a) program or HUBZone program if the business owner has been shown not to have integrity. **Withdrawn.**
- [Rep. R. Bartlett, R-Md. Direct Agencies to Ensure Contract Non-Competition Amendment](#) — Would have struck a provision that would remove a requirement that agencies ensure that only one company can perform a contract before awarding the contract to a service-disabled veteran-owned company. **Rejected 8-16: R 8-0; D 0-16; I 0-0.**

- [Rep. R. Bartlett, R-Md. Strike 8\(a\) Program Participation Time Extension Amendment](#)
— Would have struck a provision in the bill that would extend the amount of time a company may participate in the 8(a) program term by one year. The 8(a) program uses the procurement process to help minority-owned small businesses.
Withdrawn.

Vote to Report: Favorably Reported to the Full House, as Amended, by a **Recorded Vote of 21-4: R 4-4; D 17-0; I 0-0.**

CRS Reports:
(TBA)

GAO Reports:
(TBA)

CBO Report:
[Cost Estimate](#): Ordered Reported by the Committee on Small Business

Full Committee Hearings:
[Small Business Committee hearing to examine the Small Business Administration's \(SBA\) contracting programs](#), September 19, 2007
[The Subcommittee on Contracting and Technology held a hearing on the Implementation of the Women's Procurement Program and Federal Government Efforts in Contracting with Women-Owned Businesses](#), March 21, 2007

Organization Statements:
(TBA)

Administration Position:
The Administration strongly opposes H.R. 3867. [Statement of Administration Policy](#).

Fact Sheets & Talking Points:
[The Small Business Contracting Improvements Act](#), Office of the Speaker

Press Releases, News Articles & Related Information:
[Committee Approves Bill to Improve Contracting Opportunities for Small Firms](#), October 18, 2007
[Committee Approves Bill to Improve Investment Opportunities for Small Firms Legislation Will Expand Access to Venture Capital and Angel Investors](#), September 20, 2007

Other Resources:
[Cosponsors of H.R. 3867](#)

H.R. 2262 – HARDROCK MINING AND RECLAMATION ACT OF 2007 (Rep. Rahall — Natural Resources) (Subject to a Rule)

Bill Text: [HTML Version](#), [PDF Version](#)
[Bill Summary and Status](#)

Rules Committee: Tuesday, October 30, 2007 at 2:00 p.m. in H-313 the Capitol,
[Amendment Process Announcement](#), [Text of the Bill as Ordered Reported](#)

Committee: [Committee on Natural Resources](#)

Committee Staff Contact: 5-6065

LEGISLATION AT A GLANCE:

The “Hardrock Mining and Reclamation Act of 2007” (H.R. 2262) provides a strong, clear framework for sustainable hardrock mining on public lands. The bill provides a much-needed overhaul of the regrettably outdated Mining Law of 1872. H.R. 2262 would put an end to the giveaway of public lands and impose a royalty on the production of valuable minerals – just as oil and gas, and coal produced on federal lands pay a royalty for the resources they remove. The royalty, in turn, would help fund the estimated \$30-\$70 billion in abandoned mine cleanup costs, a cost taxpayers currently foot. H.R. 2262 maintains a high national standard for hardrock mining operations and reclamation, and emphasizes that some places are simply not appropriate for mining.

The bill includes several key changes to make it more workable and effective for industry, land managers, Uncle Sam and local governments alike. These include:

- ***Improvements to sustain a robust mining industry in the United States.*** This bill requires fully operational mines to pay a 4% gross income royalty, recognizing that many companies have already made substantial investments in properties based on economic calculations without a royalty and should not, therefore, be subject to the full 8% royalty new mines will pay. Another provision ensures security of tenure for those who engage in exploration and discover minerals on valid claims.
- ***Fostering efficiency:*** H.R. 2262 proposes a straightforward application process for exploration permits, in light of the shortcomings of applying a “one-size-fits-all” process to both exploration and operations. In light of the complexities of the permitting process, as amended the bill would extend the term of mine permits to 20 years, with an automatic renewal of 20 additional years.
- ***Practical and enforceable environmental standards:*** H.R. 2262 gives the Secretary of the Interior the right to say “no” to a proposed mine that would have severe, irreparable impacts on public resources. It establishes a simple but effective standard for mining on public lands; a proposed mine that cannot be carefully controlled to prevent undue degradation of lands and resources would not be permitted. The bill requires regulations to address a comprehensive list of environmental objectives and emphasizes transparency and public participation as critical elements of the mine permitting process.

- ***Provisions to help local governments balance competing uses and values of public lands, including mineral development:*** H.R. 2262 gives States, their political subdivisions and Tribal governments the ability to petition the Secretary to withdraw federal lands from mining to proactively protect drinking water, wildlife habitat, and other resources they determine are critical to their communities or local economies. The Secretary also would be required to work with State and local governments to address impacts of surface or groundwater withdrawals resulting from mining.

In short, H.R. 2262 responds to 20 years of House deliberations on the matter of comprehensive reform of the Mining Law of 1872, including four hearings and nine months of valuable input from all perspectives this year. The core goals remain the same – to craft a new mining law that reflects modern values and goals with benefits for taxpayers, public lands and the mining industry

House Report:

HTML Version, PDF Version

Full Committee Mark-up:

[Full Committee Markup Of H.R. 2262](#), October 23, 2007

[National Journal Report](#), October 23, 2007

[National Journal Report](#), October 18, 2007

Summary of Committee Votes:

- Rep. DeFazio, D-Ore. Small Mining Operations Exemption Amendment to the Substitute Amendment — Would have required that any person who has an existing mining claim and receives \$100,000 or less in gross income for mineral production shall pay an 8 percent royalty fee based on gross income. **Rejected by Voice Vote.**
 - Rep. DeFazio, D-Ore. Change Income Level Modification of the DeFazio Amendment to Substitute Amendment that — Lowers from \$250,000 to \$100,000, the maximum gross income level for the mineral production of any person's existing mining claim that would be subject to a royalty fee. **Adopted by Unanimous Consent.**
- Rep. Inslee, D-Wash. Occupancy Claims Amendment to the Substitute Amendment — Clarifies that the timely payment of a claim maintenance fee would assert a claimant's authority to use and occupy the federal lands to prospect and explore for minerals. **Adopted by Voice Vote.**
- Rep. Pearce, R-N.M. Minerals Reclamation Foundation Amendment to the Substitute Amendment — Would have established a Minerals Reclamation Foundation to encourage gifts and bequests of property for abandoned land mine projects to add conservation land. It would have authorized \$4 million for the start-up costs and \$3 million in each fiscal year between 2009-2013. **Withdrawn.**
- Rep. Hinchey, D-N.Y. Royalty for Existing Operating Mines Amendment to the Substitute Amendment — Adds a 4 percent gross royalty fee for mines on federal lands that have existing operations. **Adopted by Voice Vote.**
- Rep. Heller, R-Nev. Net Profit Royalty Amendment to the Substitute Amendment — Would have changed the royalty to 5 percent and base it on net profits instead of gross proceeds. A mining claim holder would have been liable for paying the royalty at the end of the month following the end of a calendar quarter. **Rejected 10-16: R 8-0; D 2-16; I 0-0.**

- Rep. Sali, R-Idaho Sunset Provision Amendment to the Substitute Amendment — Would have sunset the bill in two years if the United States increased its reliance on imported metals. **Rejected 9-20: R 9-0; D 0-20; I 0-0.**
- Rep. Gohmert, R-Texas Renew Mine Permits Amendment to the Substitute Amendment — Would have eliminated a requirement for companies to renew their mine permits after 20 years. **Rejected 14-16: R 14-0; D 0-16; I 0-0.**
- Rep. Sali, R-Idaho Alternative Energy Production Amendment to the Substitute Amendment — Would have exempted royalty payments for the extraction of minerals used in alternative energy production. **Rejected 14-20: R 14-0; D 0-20; I 0-0.**
- Rep. Grijalva, D-Ariz. Indian Tribes Amendment to the Substitute Amendment — Allows Indian tribes to petition the Interior secretary to withdraw lands from mining. **Adopted 37-0: R 14-0; D 23-0; I 0-0.**
- Rep. Pearce, R-N.M. Effective Date Stipulations Amendment to the Substitute Amendment — Would have made the effective date the day that the Interior secretary, in consultation with the executive branch, certified that: Nothing in the bill would be considered a "taking" under the Fifth Amendment. Nothing in the bill would result in increased mineral imports that are of strategic value to the U.S. military and available on U.S. public lands. Nothing in the bill would result in higher mineral costs to consumers. **Rejected 17-21: R 16-0; D 1-21; I 0-0.**
- Rep. Sali, R-Idaho Global Warming Amendment to the Substitute Amendment — Would have prohibited royalties on any mineral used to combat global warming. **Rejected 17-22: R 16-0; D 1-22; I 0-0.**
- Rep. Rodgers, R-Wash Environmental Provisions Amendment to the Substitute Amendment — Would have eliminated several environmental provisions. **Rejected 16-23: R 16-0; D 0-23; I 0-0.**
- Rep. Holt, D-N.J. National Park and Monument Mining Amendment to the Substitute Amendment — Clarifies that no permit would be issued to authorize mineral activities on national park or monument lands or surrounding areas if the activities would affect the air, water and acoustic quality. **Adopted 21-18: R 0-16; D 21-2; I 0-0.**
- Rep. Pearce, R-N.M. Mineral Commodity Information Administration Amendment to the Substitute Amendment — Would have created a new independent agency, called the Minerals Commodity Information Administration, as a clearinghouse for mining data. The agency would have been authorized at \$30 million annually from fiscal 2008-2018. **Rejected 16-23: R 16-0; D 0-23; I 0-0.**
- Rep. Sali, R-Idaho 2 Percent Royalty on Non-Metallic Minerals Amendment to the Substitute Amendment — Would have lowered the royalty on non-metallic minerals to 2 percent of the fair market value. **Rejected 17-22: R 16-0; D 1-22; I 0-0.**
- Rep. Pearce, R-N.M. Gross Domestic Product Amendment to the Substitute Amendment — Would have required the bill, if enacted, to expire "if and when the United States does not have the number one gross domestic product in the world." **Rejected by Voice Vote.**
- Rep. Heller, R-Nev. Sustainable Development Projects Amendment to the Substitute Amendment — Would have allowed a local government to nominate mining claims within its boundaries for lease as a sustainable development project. **Withdrawn.**

- Rep. Lamborn, R-Colo. Eliminate Permit Fees Amendment to the Substitute Amendment — Would have removed a number of provisions related to payable fees for exploration and operations permits. **Rejected by Voice Vote.**
- Rep. Heller, R-Nev. Change Formula for Hardrock Reclamation Account Amendment to the Substitute Amendment — Would have shifted the formula for the Hardrock Reclamation Account so that 50 percent of the monies collected would be allocated by the Interior secretary among the states, based on the mineral production, to the local community-mining cleanup. **Rejected by Voice Vote.**
- Rep. Pearce, R-N.M. Judicial Review Amendment to the Substitute Amendment — Eliminates language that would state any person who filed an administrative protest or contested a patent application may be able to seek federal district court judicial review. **Adopted by Voice Vote.**
- Rep. Inactive and Abandoned Mine Cleanup Pearce, R-N.M. Amendment to the Substitute Amendment — Would have allowed the EPA administrator, state, or Indian tribe with a good samaritan program to issue a permit to a good samaritan to carry out a project to remediate all or part of an inactive or abandoned land mine. **Ruled Out of Order** (contained provisions that were in the jurisdiction of other congressional committees).
- Rep. Cannon, R-Utah Legal Provisions Amendment to the Substitute Amendment — Would have: struck the operations permit application process; eliminated the minerals materials section concerning disposal; and eliminated the process of citizen suits. **Rejected En Bloc by Voice Vote.**
- Rep. Pearce, R-N.M. Eliminate Environmental Provisions Amendment to the Substitute Amendment — Would have eliminated Title 3, dealing with environmental processes, including exploration and operations permits, permit eligibility and permit applicants' financial viability. **Rejected 12-23: R 12-0; D 0-23; I 0-0.**
- Rep. Sali, R-Idaho State Government Request Amendment to the Substitute Amendment — Would have denoted that the location of mining claims would be considered open and acceptable only if a state governor and majority of a state's legislature allow it. **Rejected 13-24: R 13-0; D 0-24; I 0-0.**
- Rep. Rahall, D-W.Va. Substitute Amendment — Substitute amendment that makes a variety of changes to the bill. The amendment: imposes an 8 percent royalty on a mine's gross proceeds on new hard rock mines and a 4 percent royalty on existing mines; strikes provisions in the 1872 law that have allowed companies to "patent," or buy the land they have claimed; ensures that mining companies could continue to occupy lands once they have staked a claim; allows state or local governments to file petitions with the Interior secretary to withdraw sensitive areas of federal land from mining activity; blocks mining claims that are deemed to cause "undue degradation" of public lands and prohibit mining in sensitive locations such as wilderness study areas; provides a 10-year window for mines not currently in production to comply with the bill; deletes "sacred sites" from the list of lands that would be closed to mineral production; and allows tribes to petition the Interior secretary to withdraw lands from mining and would clarify that no permit would be issued to authorize mineral activities on national park or monument lands or surrounding areas if the activities would affect the air, water and acoustic quality. **Adopted, As Amended, by Voice Vote.**

- **Vote to Report:** Favorably Reported to the Full House, as Amended, by a **Recorded Vote of 23-15; R 0-14; D 23-1; I 0-0.**

CRS Reports:

[RL33792](#): Federal Lands Managed by the Bureau of Land Management (BLM) and the Forest Service (FS): Issues for the 110th Congress

[RL33908](#): Mining on Federal Lands: Hardrock Minerals

GAO Reports:

(TBA)

CBO Report:

(TBA)

Subcommittee on Energy and Mineral Resources Hearings:

Subcommittee On Energy And Mineral Resources: Legislative Hearing On H.R. 2262 -- Royalties And Abandoned Mine Reclamation, October 2, 2007

Opening Statement: [Chairman Nick J. Rahall](#)

Witness Testimony:

Panel 1 (Royalty Assessment)

[Mr. Salvatore Lazarri](#), Specialist in Public Finance Resources, Science and Industry
Division Congressional Research Service

[Mr. James Otto](#), Independent Consultant

[Mr. James F. Cress](#), Attorney, Holme Roberts & Owen LLP

Panel 2 (Abandoned Mine Reclamation)

[Mr. Jim Hanlon](#), Director of the Office of Wastewater Management, U.S., Environmental
Protection Agency

[Mr. Tony L. Ferguson](#), Director of Minerals and Geology Management, U.S. Forest
Service

[Sen. Greg Lind](#), State Senator, Montana

[Ms. Laura Skaer](#), Executive Director, Northwest Mining Association

Legislative Hearing On "Nevada And H.R. 2262: Opportunities And Challenges In Reform Of The 1872 Mining Law", August 21, 2007

Witness Testimony:

Panel 1

[The Honorable Harry Reid](#), D-NV, U. S. Senator

Panel 2

[Mr. Dan Randolph](#), Executive Director, Great Basin Mine Watch

[Ms. Elaine Barkdull](#), Executive Director, Elko County Economic Diversification Authority

[Mr. Bob Abbey](#), Former State Director, Nevada State Office, Bureau of Land
Management

[Mr. William Molini](#), Former Director, Nevada Department of Wildlife

Panel 3

[The Honorable Dean Rhoads](#), State Senator, Nevada

[Mr. Russ Fields](#), President, Nevada Mining Association

[Mr. Ronald Parratt](#), President, AuEx Ventures, Inc.

[Mr. Jon Hutchings](#), Eureka County Department of Natural Resources

[Subcommittee On Energy And Mineral Resources: Legislative Hearing On H.R. 2262](#), July 26, 2007

Opening Statement: [Chairman Nick J. Rahall](#)

Witness Testimony:

Panel 1

The Honorable Larry E. Craig, R-ID, U. S. Senator

Panel 2

[Mr. Henri Bisson](#), Deputy Director, Bureau of Land Management

[The Honorable John Leshy](#), Former Solicitor General, Department of the Interior

[Ms. Jennifer Martin](#), Commissioner, Arizona Game and Fish Commission

[Mr. J.P. Tangen](#), Former Regional Solicitor, Alaska

Panel 3

[Mr. Steve Ellis](#), Vice President of Programs, Taxpayers for Common Sense

[Mr. Dusty Horwitt](#), Public Lands Program Analyst, Environmental Working Group

[Mr. Tony Dean](#), Radio Host, Sportsman, Tony Dean Outdoors

[Mr. Michael Marchand](#), Chairman, Confederated Tribes of the Colville Reservation, Washington State

[Mr. William Champion](#), President and CEO, Kennecott Utah Copper Corporation

[Mr. Ted Wilton](#), Executive Vice President, Neutron Energy Company

Organization Statements:

(TBA)

Administration Position:

(TBA)

Fact Sheets & Talking Points:

[HR 2262 One Page Summary](#), Committee on Natural Resources

Press Releases, News Articles & Related Information:

[Hardrock Mining Reform Legislation Receives Committee's Stamp of Approval](#), October 23, 2007

Other Resources:

[Cosponsors of H.R.2262](#)

H.R. 3920 - TRADE AND GLOBALIZATION ASSISTANCE ACT OF 2007 (Rep. Rangel —
Ways and Means) (Subject to a Rule)

Bill Text: [HTML Version](#), [PDF Version](#)
[Bill Summary and Status](#)

Rules Committee: Tuesday, October 30, 2007 at 2:00 p.m. in H-313 the Capitol,
[Special Announcement](#), [Text of the Bill as Ordered Reported](#)

Committee: [Committee on Ways and Means](#)

Committee Staff Contact: 5-3625

LEGISLATION AT A GLANCE:

UPDATING AND OVERHAULING THE TAA FOR WORKERS PROGRAM

1. Expanding Trade Adjustment Assistance to Service Workers.

TAA started in 1962, when trade in services was not a significant issue. That is not the case today, yet the program has never been updated. The bill covers service sector workers (including in the public sector) where: (1) the workers were employed by a firm that experienced significant layoffs; and (2) there is a connection between the layoffs and trade (e.g., import competition or production relocation (“offshoring”). The requirement that the layoffs be connected to trade effectively limits the types of service sector workers that will be eligible under TAA.

2. Expanding Trade Adjustment Assistance to More Manufacturing Workers

Offshoring and Secondary Worker Coverage. Under current law, many manufacturing workers are still left out of TAA due to illogical eligibility criteria. First, workers who lose their job because their factory moves to China may not get TAA benefits. Such workers must also show that the factory relocation will result in increased imports to the United States (which may not occur for a variety of reasons, such as the factory always produced for a foreign market). Second, while current law extends TAA coverage to workers employed “downstream” of a TAA-certified firm (i.e., secondary workers), this coverage is limited to firms impacted by trade with Canada and Mexico. The bill eliminates these restrictions, so that all workers impacted by trade are covered, regardless of where the factory relocated to or where the import competition came from.

Industry-wide Certifications. Under current law, the TAA certification process is on a firm-by-firm basis. That process can lead to inconsistent results, with some workers who lose their jobs receiving the TAA benefits they deserve, while others down the street do not. To address these problems, the bill requires the Secretary of Labor to conduct industry-wide certification investigations: (1) when three petitions from firms in the same industry are certified within a 6-month period; or (2) at the request of the President, USTR, or Ways and Means/Finance. The bill authorizes the Secretary of Labor to develop criteria for making industry-wide certifications (with Ways and Means/Finance input), thereby addressing concerns about overly broad certifications.

Automatic Certification for Workers Covered by ITC Injury Determinations. The bill provides for automatic group certification for workers from a firm covered by an ITC injury determination in an antidumping, countervailing duty, or safeguard proceeding. Such ITC determinations definitively show that an industry has been injured by increased imports, and establish a connection between trade and layoffs. To address administrative feasibility concerns, the bill has a pro forma petition process to help Labor and the States identify covered workers.

3. Ensuring Access to Better Training

Training Funds. The bill doubles the current training funding cap from \$220 million to \$440 million and increases it to \$660 million by 2010. The new funding addresses training funding shortfalls faced by some States. The increase also covers potential increases in the number of eligible workers because of expansion to service workers and more manufacturing workers. Prepared by the Staff of the Committee on Ways and Means The Honorable Charles B. Rangel, Chairman October 22, 2007

Longer Term Training in Growth Sectors. Under current law, income support is limited to a maximum length of **104** weeks (including basic Unemployment Insurance (UI), but excluding income support for workers in need of remedial training). However, many workers use the first 26 weeks of unemployment to look for another job; that effectively means that workers have 78 weeks of income support while training, which curtails the types of training they can pursue. The bill addresses the problem by providing workers participating in longer term training (including completion of a college) with up to **130** weeks of income support (including basic UI, but excluding periods for remedial or prerequisite training). The new 26 weeks of additional income support is **ONLY** available for workers in long-term training.

4. Simplifying Enrollment Deadlines

The bill fixes short and contradictory enrollment deadlines that have caused significant confusion among TAA participants and resulted in some workers losing access to TAA benefits.

5. Improving the Health Coverage Tax Credit

Under current law, the Health Coverage Tax Credit (HCTC) has not proven to be an effective means of delivering health benefits. Participation is low and administrative costs are exceedingly high. The bill makes several important changes to the existing credit and increases the subsidy to 85 percent. These changes will minimize gaps in coverage and assure access to insurance policies that meet the health and medical needs of eligible individuals and their families. The bill also lays the foundation (via studies and data collection geared toward creation of a national purchasing pool) to reform substantially and simplify the program by January 1, 2010.

REFORMING UNEMPLOYMENT INSURANCE: THE GATEWAY TO TAA

The UI provisions in the bill are designed to encourage and reward States for taking specific steps to improve UI coverage for low-wage, part-time and other workers. The bill responds to a GAO finding that unemployed low-wage workers are only one-third as likely to receive UI benefits, but more than twice as likely to be unemployed as higher wage workers. Rather than requiring States to implement reforms, the bill provides financial incentives for those States enacting reforms designed to: count workers' most recent wages when determining UI eligibility; end discrimination against part-time workers; allow separations from work for compelling family reasons (such as fleeing domestic violence); and provide extended benefits during approved training for high demand employment. Funding for the incentives is raised by an extension of a current-law unemployment tax (the FUTA surtax) that President Bush has proposed extending.

MANUFACTURING REDEVELOPMENT ZONES

The bill includes a package of tax incentives designed to encourage the redevelopment of communities that have suffered substantial reductions in manufacturing employment. The proposal authorizes the Secretary of Treasury to designate a group of manufacturing redevelopment zones. Under the bill, the communities designated as manufacturing redevelopment zones would be eligible for the special Work Opportunity Tax Credit classification that now applies to empowerment zones. The communities would also be eligible for tax exempt bond financing for new business; tax credit bond financing for the cost of redevelopment, including infrastructure improvements; and additional low income housing credits.

PROVISIONS EXPECTED TO BE MADE IN ORDER BY RULE

[Committee on Education and Labor Web-Site](#) with Information on H.R. 3796

H.R. 3796, the Early Warning and Health Care for Workers Affected by Globalization Act

HR 3796, the Early Warning and Health Care for Workers Affected by Globalization Act amends the WARN Act (Worker Adjustment and Retraining Notification Act (WARN) to ensure that workers who lose their jobs due to a mass layoff or plant closing are given sufficient notice to learn about and access the resources available to them, and then to pursue new employment. In addition, HR 3796 provides TAA eligible workers who are 55 and older or who have worked for an employer for 10 or more years with an additional healthcare option; COBRA coverage until they are eligible for Medicare at age 65 or covered by another health plan.

HR 3796 amends WARN to ensure that it is a more effective tool in helping workers prepare for imminent job loss. HR 3796:

- Includes part-time workers when determining whether an employer meets the 100 employee threshold to be covered under WARN;
- Requires employers give 90-days notice of a layoff or plant closing if 25 or more workers are affected in a 30-day period.
- Requires that employers notify the Secretary of Labor when a WARN notice is given. The Secretary of Labor is then required to notify the appropriate Members of Congress.
- Requires that the Department of Labor provide model educational material to employers on the benefits and services potentially available to the affected workers.
- Employers must notify workers of the different benefits and services for which they might be eligible.
- Increases and clarifies the remedy employees can recover if an employer fails to give the required notice- employees can recover double back pay for every calendar days short of 90 that the company provided notice before such closing or layoff.
- Makes clear that employers cannot ask employees to waive their statutory notice rights under the WARN Act.

House Report:

[HTML Version](#), [PDF Version](#)

Full Committee Mark-up:

[H.R.3920, the "Trade and Globalization Assistance Act of 2007"](#), October 24, 2007

[National Journal Report](#)

[CBO Estimate of Chairman's Amendment](#)

[Chairman's Amendment in the Nature of a Substitute to H.R. 3920](#)

[H.R. 3920, the "Trade and Globalization Assistance Act of 2007" as introduced](#)

[H.R.3920, the "Trade and Globalization Assistance Act of 2007" Section by Section Analysis](#)

[Tax Provisions Included in the "Trade Adjustment Assistance Improvement Act"](#)

Summary of Committee Votes:

- [Rep. McDermott, D-Wash. Federal Unemployment Tax Amendment to the Substitute Amendment](#) — Phases out the surtax on federal unemployment taxes by 2010. The substitute reauthorizes the Trade Adjustment Assistance (TAA) program for five years and extend coverage to service-industry workers. **Adopted by Voice Vote.**
- [Rep. Herger, R-Calif. Fast-Track Authority Amendment to the Substitute Amendment](#) — Would have extended trade negotiating authority, or fast-track authority, for five years. **Withdrawn.**
- [Rep. S. Johnson, R-Texas State-Administered Programs Amendment to the Substitute Amendment](#) — Would have struck a requirement that Trade Adjustment Assistance (TAA) programs be administered exclusively by state merit-based employees and allowed other entities -- contractors, nonprofit organizations -- to administer these programs. **Rejected 16-25: R 16-1; D 0-24; I 0-0.**
- [Rep. P. English, R-Pa. International Trade Administration Amendment to the Substitute Amendment](#) — Would have shifted the administration of the Trade Adjustment Assistance for Firms program to the jurisdiction of the International Trade Administration. **Withdrawn.**
- [Rep. Weller, R-Ill. Unemployment Insurance Amendment to the Substitute Amendment](#) — Would have created unemployment insurance waiver authority for states to allow them to operate insurance demonstration programs. **Rejected 17-24: R 17-0; D 0-24; I 0-0.**
- [Rep. P. Ryan, R-Wis. Annual Performance Reports Amendment to the Substitute Amendment](#) — Would have required any state providing TAA for workers to submit an annual report assessing certain performance indicators. The same reporting requirement would have applied to any organization receiving a TAA for Firms grant. **Rejected 17-24: R 17-0; D 0-24; I 0-0.**
- [Rep. D. Camp, R-Mich. Health Care Tax Credits Amendment to the Substitute Amendment](#) — Would have increased the health care tax credit from 65 percent to 75 percent. It also would make the health care tax credit permanent. **Rejected by Voice Vote.**
- [Rep. Tiberi, R-Ohio Transition Relief Amendment to the Substitute Amendment](#) — Would have provided transition relief for taxpayers in manufacturing redevelopment zones who have taken advantage of tax benefits currently offered by the Empowerment Zone and Renewal Community tax incentives. **Withdrawn.**

- Rep. Reynolds, R-N.Y. New Markets Tax Credits Amendment to the Substitute Amendment — Would have struck provisions that provide for tax credit bonds and replaced the bonds with \$500 million in New Markets Tax Credits for trade-affected companies and communities. **Rejected 17-24: R 17-0; D 0-24; I 0-0.**
- Rep. Herger, R-Calif. Training Programs Amendment to the Substitute Amendment — Would have allowed affected workers to begin training programs before they are laid off. It would have capped funds for training programs at \$4,000 per worker annually or a total of \$8,000 over a four-year period. The amendment would have required biannual reports to Congress on: the initial allocation of training funds for states; additional distributions of training funds; the amount of training funds obligated and spent by states; and Labor Department efforts to ensure states receive appropriate training funds. **Rejected 16-24: R 16-0; D 0-24; I 0-0.**
- Rep. P. English, R-Pa. Producer Petitions Amendment to the Substitute Amendment — Would have allowed petitioning producers to: amend the countries or commodities cited in their petition from year to year for the Labor Department's review; amend an existing petition in order to reflect changes in the countries or commodity involved; and to "opt-in" to another petition either underway or already certified. **Withdrawn.**
- Rep. Herger, R-Calif. Public Sector Employees Amendment to the Substitute Amendment — Would have struck provisions that would expand TAA benefits to public sector employees. **Rejected by Voice Vote.**
- Rep. P. English, R-Pa. Demonstration Program Amendment to the Substitute Amendment — Establishes a three-year demonstration project within the TAA for Firms program. The demonstration project will support seven subject areas, such as: expanding the number of firms able to participate in the program without expending more money; integrating the benefits of other government programs with TAA for Firms; increasing exports of small- and medium-sized firms; and helping small- and medium-sized firms secure government contracts. The project will cover at least five states and would give preference to existing TAA Centers to administer the project. **Adopted without Objection.**
- Rep. Herger, R-Calif. Federal Unemployment Surtax Amendment to the Substitute Amendment — Would have struck extension of the surtax on federal unemployment taxes and eliminate the program at the end of 2007. **Rejected 16-24: R 16-0; D 0-24; I 0-0.**
- Rep. P. English, R-Pa. Trade Adjustment Assistance Act/Industry Petitions Amendment to the Substitute Amendment — Would have granted the Labor Department flexibility when evaluating a petition by an industry in which imports already make up a significant portion of the total U.S. market share. It would have applied to Trade Adjustment Assistance for Firms programs that require firms to demonstrate that increases in imports contributed significantly to worker dislocation and a decline in sales at the firm. **Withdrawn.**
- Rep. P. English, R-Pa. Safety Net Review Commission Amendment to the Substitute Amendment — Establishes a Safety Net Review Commission to evaluate the unemployment compensation program, the TAA program, the Job Corps program and other employment assistance programs. **Adopted by Unanimous Consent.**
- Rep. P. English, R-Pa. Trigger for Extending Benefits Amendment to the Substitute Amendment — Would have established a trigger for extending benefits. **Withdrawn.**

- [Rep. McCrery, R-La. Republican Substitute Amendment](#) — Would have scaled back benefits for workers, such as the amount of money that jobless workers can get to supplement low-paying jobs. **Rejected 17-20: R 17-0; D 0-20; I 0-0.**
- [Chairman Rangel, D-N.Y. Substitute Amendment](#) — [Description of Changes in the Chairman's Amendment in the Nature of a Substitute to H.R. 3920. JCT Description of Chairman's Amendment.](#) **Adopted, As Amended, by Unanimous Consent.**
- **Vote to Report:** Favorably Reported to the Full House, as Amended, by a **Recorded Vote of 26-14: R 3-14; D 23-0; I 0-0.**

CRS Reports:

[RS22718](#): Trade Adjustment Assistance for Workers (TAA) and Alternative Trade Adjustment Assistance for Older Workers (ATAA)

GAO Reports:

[GAO-07-919](#): Trade Adjustment Assistance: Industry Certification Would Likely Make More Workers Eligible, but Design and Implementation Challenges Exist, June 29, 2007
[GAO-07-994T](#): Trade Adjustment Assistance: Program Provides an Array of Benefits and Services to Trade-Affected Workers, June 14, 2007
[GAO-07-995T](#): Trade Adjustment Assistance: Changes Needed to Improve States' Ability to Provide Benefits and Services to Trade-Affected Workers, June 14, 2007
[GAO-07-702](#): Trade Adjustment Assistance: Changes to Funding Allocation and Eligibility Requirements Could Enhance States' Ability to Provide Benefits and Services, May 31, 2007

CBO Report:

(TBA)

Subcommittee on Health, Employment, Labor and Pensions Hearing:

[Hearing on Promoting U.S. Worker Competitiveness in a Globalized Economy](#), June 14, 2007

Witness Testimony:

Panel:

[The Honorable Adam Smith](#), a Representative in Congress from the State of Washington
[Sigurd R. Nilsen, Ph.D.](#), Director for Education, Workforce, and Income Security Issues, Government Accountability Office
[John Edward Bolas, Jr.](#), Freedom, Pennsylvania
[Tammy Flynn](#), Trade Adjustment Assistance State Coordinator, Bureau of Workforce Programs, Department of Labor and Economic Growth, Lansing, Michigan
[Virginia Ponser Flanagan](#), Consultant, Campbellsville University, Campbellsville, Kentucky
[Curtis Morrow](#), Workforce Development Unit Manager, North Carolina Employment Security Commission, Raleigh, North Carolina
[James Fusco](#), East Brunswick, New Jersey

Panel:

[Marcus Courtney](#), President, Washington Alliance of Technology Workers, Seattle, Washington
[Karen Pollitz](#), Research Professor, Health Policy Institute, Georgetown University
[Diana Furchtgott-Roth](#), Senior Fellow and Director of Center for Employment Policy, Hudson Institute
[Jane M. McDonald-Pines](#), Workforce Policy Specialist, American Federation of Labor and Congress of Industrial Organizations
[Howard Rosen](#), Executive Director, Trade Adjustment Assistance Coalition

Panel:

[The Honorable Mason M. Bishop](#), Deputy Assistant Secretary, Employment and Training Administration, Department of Labor

[David R. Williams](#), Director of Electronic Tax Administration and Refundable Credits, Internal Revenue Service

Submissions for the Record:

[Illinois Department of Commerce, statement](#)

[National Association of Health Underwriters, statement](#)

Organization Statements:

[AFL-CIO](#)

[American Federation of State, County and Municipal Employees \(AFSCME\)](#)

[Communication Workers Association \(CWA\)](#)

[UAW](#)

[United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union \(USW\)](#)

[Letter from 14 Governors](#)

Administration Position:

(TBA)

Fact Sheets & Talking Points:

[Section-by-Section Summary](#), Committee on Ways and Means

Press Releases, News Articles & Related Information:

[Ways and Means Passes Trade and Globalization Assistance Act of 2007, Bipartisan bill would help American workers compete and win in global economy](#), October 24, 2007

[Democrats Introduce the Trade and Globalization Assistance Act of 2007](#), October 23, 2007

[Democrats Draft Legislation to Help American Workers Compete and Win in Global Economy](#), October 12, 2007

[Rangel Announces Hearing on Promoting U.S. Worker Competitiveness in a Globalized Economy](#), June 14, 2007

Other Resources:

[Cosponsors of H.R.3920](#)

Updates can be found by visiting http://www.majoritywhip.gov/whip_pack/ throughout the week.